

HUMAN EVENTS

Vol. XVI, No. 15

Wednesday, April 15, 1959

Washington, D. C.

News Section

COLD WAR: *Britain tries neutralism*.....(page 1)

REUTHER: *His unemployment fiasco*.....(page 1)

Top Democrat flays him.....(page 2)

ALASKA: *Will Soviets use our airfields?*.....(page 2)

GOP: *"Cold storage" chairmanship*.....(page 3)

Britain in the Middle: "Britain is becoming the greatest neutralist nation in the world and may soon rival Nehru's India in that role"—so runs an oft-heard opinion in Washington. The Capital has been treated to much of this kind of comment in the past ten days, during and after the meeting of the NATO foreign ministers; for the diplomats of European nations are privately much blunter than Americans in their references to Britain.

Signs appear in this sophisticated Capital that American ire against England is rising, particularly after the flood of billingsgate which the London press has poured not only on the US Government but on President Eisenhower personally. Some here remark: "It's all very well for Americans to refer to their President in those terms, but not for foreigners." Also, many in the Washington press corps have served in Fleet Street; they know that the vituperative attacks in the big London papers would not have occurred without encouragement from the Foreign Office of the British Government.

European diplomats here for the international meeting a week ago spoke very unpleasantly of the British regime. French mentioned "*perfidie Albion*"; Italians were just as scathing in talking of Macmillan's headlong rush for a Summit meeting.

Indeed, Washingtonians beheld for the first time the new coalition of European countries against Soviet Russia—France, West Germany, Italy, Holland, Belgium (to which should be added Spain, not present). Britain now is regarded as a fourth-rate power militarily—with the US first, Russia second, France third. Britain's navy is now inferior to the French navy. The British army is small, on the continental scale. Finally, some European diplomats talked of the possibility of enforcing an economic blockade of Soviet Russia, unless the latter comes to terms on Berlin.

Along Diplomatic Row, the judgment is that Adenauer will (as he has publicly said) continue to control and shape the foreign policy of his Government. Although he will shift from the post of Chancellor to that of President of the Republic (which has been a ceremonial spot), his enormous prestige will enable him to wield decisive power.

● Those in the wings of the great international drama relay the following to HUMAN EVENTS: General De Gaulle sent a personal letter to President Eisenhower

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just before Macmillan visited London two weeks ago; the French chief of state said that if the US yielded to British counsels of appeasement on the matter of Berlin, "a perhaps irreparable breach will be caused between the free nations on the continent of Europe and the Anglo-Saxon world."

Word was also relayed that the liaison between General De Gaulle and Adenauer continues to be very close. As an example: Adenauer had three telephone conversations with De Gaulle before the German leader announced his decision to renounce the post of Chancellor.

Unemployment Rally: When labor czar Walter Reuther took pot shots at President Eisenhower for playing golf during the mass unemployment conference held in Washington last week, many journalists vividly recalled Reuther's own relaxed approach to this much-ballyhooed confab of the jobless.

Reuther put his call for an unemployment rally in the national spotlight last February, while sunning himself on the beaches of Puerto Rico. Upon his return to the states, he was reported vacationing in Vermont, as other labor bosses were trying to drum up enthusiasm for the march. Then, when the big day came for some 1000 workers to depart from Michigan on the protest trek, Reuther was nowhere around. Because of "previous engagements," he had flown ahead to Washington, via a plush airliner, accompanied by most of his important lieutenants.

The unemployment conference, which took place just after the biggest employment upswing in many months had been announced, cost the labor forces over half a million dollars to stage—money that might well have been put to good use in Detroit, where many impoverished workmen wonder where their next legitimate paycheck is coming from.

Steel Strike: Belief in the inevitability of a strike in the steel industry has weakened among observers in the Capital. The contract between the United Steelworkers and the big firms is due to expire June 30, and heavy purchases of steel for inventory purposes have resulted. It is noted, however, that David McDonald, President of the USW, is singing in a much lower key than he was a month ago. Word has reached Washington that the Steelworkers dislike the prospect of a strike; with the recent pickup in business, they have been enjoying full payrolls, and they are erasing debts incurred during the layoffs of the '58 recession.

Some of those who have watched the gyrations of labor bosses in similar situations in the past believe that McDonald may adopt the strategy employed by Reuther last year. When the United Auto Workers' contract with the auto companies expired last summer, Reuther told his men to keep working without contract until he

had obtained a successful deal in negotiations. Finally, he obtained a measure of what he wanted, and a contract was signed. McDonald could do the same.

Others point out, however, that the parallel is not exact. Reuther kept his men working without contract until the assembly lines for the new models were ready to roll, then cinched the deal. McDonald may be confronted with a situation in which there is a large glut of steel, so that industrial buyers will be in a position to operate for some time; and the steel firms, after a period of heavy sales, will be able to sit out a strike better than the workers.

Washington awaits the appearance of McDonald at a hearing of the Senate Anti-Monopoly Committee, under the chairmanship of Senator Estes Kefauver (D.-Tenn.), scheduled to take place April 23. What he says may provide a clue to coming developments.

Bonds: Supposing—say financial advisers in the Capital—that Congress in the next few weeks were to pass a law as follows: that the Government defer the 25 per cent maximum gains tax on sales of common stocks to those who purchased US Government bonds. The swollen stock market inflation would be reduced and repercussions would be felt throughout the financial community. Few here believe that Congress will so act, but it is expected that something will be heard of this or similar schemes.

For the stock market boom and the difficulty of the Treasury in floating bond issues has worried the financial heads of the Government, and many others—apparently including some of the principal stock brokerage houses of the country. In Washington those who watch the “Fed” (Federal Reserve Board) and add up signs and portents have the conviction that the Government will take some stronger steps very soon to check the stock market boom before it ends in a “bust.” What it will be, no one ventures to predict with exactness. But speculation includes such rumors as the deferment-of-capital-gains scheme (as described above); also the raising of interest on and the limitation of purchase of E bonds from \$10,000 to \$25,000; issuance of tax-free Federal bonds; and various other moves to quell the speculators.

Alaskan Sellout: Statehood was voted for the territory of Alaska partly on the assumption that this outpost was vital to American defense against Communist inroads from the North.

Now reports from Alaska indicate that the new state is to be used, not as a barrier against Red cold war advances, but as a staging point for them. According to the *Anchorage Daily Times*, the Soviets want to operate commercial flights to the United States, stopping off at Anchorage on the way. A Soviet Embassy spokesman is quoted as saying: “We are ready—it all hinges on the United States.”

“It appears,” the *Times* comments, “that the United States has invited the Soviets to operate through here and it is likely that when they apply the permission will be granted.” Even more significant, as the paper points out, is the fact “the only runway suitable for the big jet planes is Elmendorf air force base.” In other words, the Reds will use an American military base—

set up to defend America against Communist attack—as an operational stop for Soviet planes!

“It is inevitable,” the *Times* concludes, “that all the operations will be on the Elmendorf runway if none other is available. It happened before, despite military objections. It can happen again.”

Labor Front: Walter Reuther—pink eminence of the Democratic party and self-styled Sir Galahad of the US labor movement—tangled last week with New York’s top law enforcement officer, District Attorney Frank Hogan (Democratic candidate to the Senate in the 1958 elections).

Hogan’s office and Reuther’s UAW disagreed over whether a Reuther hireling should appear before a grand jury in Manhattan. Hogan has been trying to get UAW official Peter Zvara, of Toledo, to testify concerning a bribery case in New York. Reuther & Co. have refused to cooperate, prompting this blast from Hogan:

“Evidence has been submitted to this office which strongly indicates that the crime of accepting a bribe by a labor union representative has been committed in New York County. This evidence involved your own [Reuther’s] union. . . .

“In plain language, the issue that faces your union is whether Mr. Zvara should be required to appear before a New York County grand jury in connection with this investigation.

“I am unable to understand how you can support a union official’s refusal to appear before a grand jury . . . Your attitude apparently is at variance with your championship of clean unions and certainly the spirit of the code of ethics of the AFL-CIO.”

● A point of particular interest to Washingtonians is that Zvara, sought by the New York authorities, is assistant to UAW official Richard Gosser, whose name figured in Senate Labor Rackets inquiries last year. Information in the Capital has it that there was available information concerning Gosser’s activities in Toledo. But inquiry in this direction languished; Committee Counsel Robert Kennedy has never shown zeal for probing Reuther’s United Auto Workers Union. The question agitating the Capital: has the McClellan Rackets Committee data in its files pertaining to the action pending in New York? If so, why doesn’t Counsel Kennedy get going?

Spotlight on Lobbyists: While a loud hullabaloo is heard about private lobbyists working on Capitol Hill, severe pressure exerted by “liberal” groups to promote big spending projects goes almost unnoticed in the Nation’s press. For example, there exists now in Washington a king-size “liberal lobby” which is making every effort to assure passage of the \$3.7 billion omnibus housing bill, S. 57.

One of the major components of this lobby is the National Housing Conference, which features many “liberal” names in its lineup of officers: for instance, Walter Reuther, Hubert Humphrey, Leon Keyserling.

Other “liberal” organizations active in the housing lobby are the AFL-CIO, Americans for Democratic Action, NAACP, Cooperative League of the US, the

Article Section II

Attack on the Oil Industry

The Facts About Depletion of Natural Resources

By SAMUEL B. PETTENGILL

THE RIGHT OF producers of natural resources to deduct the approximate value of their depleted capital in computing Federal income taxes is once again agitating "liberal" Members of Congress.

Although the oil and natural gas industry is only one of many producers of natural resources, it is especially singled out for attack, as the "liberals" decry what they call a "special privilege" for the "oil interests." (The depletion right is also called a "tax gimmick" and a "loophole" by those who oppose it.)

The current assault on depletion allowances is the heaviest in many years. To understand the issue which it raises, it is first necessary to understand the circumstances in which the petroleum industry operates.

In the never-ending search for new supplies of oil and gas, more than 300,000 dry holes have been drilled in the United States during the past 30 years. In them, at an estimated average cost of \$40,000 per well, some \$12 billion have been lost and buried. Many dry holes cost \$1 million or more. Since 1900, about 500,000 wells once productive have been abandoned. Every well that finds oil begins to die the day it begins to flow. For oil is a "crop" that springtime does not renew.

Thousands of these wells, of course, repay the cost of drilling many times over, but other thousands pay little more than their costs. Among them is a famous well in Wyoming, which, when completed in 1951 at a depth of more than three miles, was the deepest producing well in the world. (Since then wells have been drilled five miles deep.) About 10,000 wells in the United States, once productive, have to be abandoned every year.

How do oil men acquire the means to offset their losses in order to drill again, ever deeper and at greater cost? How can our more than 67 million motor vehicles and millions of homes and thousands of locomotives and naval war craft and airplanes be sure of all the oil they have to have for heat and power?

One very important way by which oil men have been able, so far, to have the financial courage to keep on drilling more wells is the so-called "depletion allowance" written into our Federal income tax law.

The deduction for depletion, in computing income taxes, is as fair and just as the depreciation deduction for the wearing out of machinery. And there can be no question that the principle of depletion recognized in our income tax laws for many years is largely responsible for the fact that, in peace or war, we have never been hamstrung for want of oil.

After oil has been located in the ground, it is capital, like granite in a quarry. It can be sold in bulk in the ground, or barrel by barrel after it is brought to the surface. It is private property. It is not income. No part of it can become income until it is sold. Under our law a man owns everything from the surface of his land to the center of the earth. All subsurface minerals, found or not yet found, are his property "to have and to hold," subject only, in the case of oil, gas or water, to the fact that they may "migrate" underground to a nearby well on another man's property. The Sixteenth Amendment to the Constitution does not give Congress the power to tax this capital, but only the income derived from producing it.

The sale price of oil, after it has been brought to the surface, necessarily includes some fraction of value representing the capital worth of the oil in its original condition in the earth when found. Therefore, when the producer computes his "net taxable income" at the end of the year, it is just and right that he be permitted to deduct from his gross income some figure approximating the value of his oil capital as it is depleted. For once produced and sold, the oil is gone forever.

If this were not permitted, a large part of a producer's capital would, in effect, be confiscated by the Government. This would be against the spirit of the Constitution, both in the Sixteenth Amendment and in Article V of the Bill of Rights, which says "Nor shall private property be taken for public use, without just compensation."

If the Government were to commandeer the oil for its own use, it would have to pay cash for it. If someone else buys it, the Government can levy a tax on the producer's profit (income) but can no more rightly tax his capital away than it can confiscate it away.

THIS IS THE gist of the matter, and in this light the deduction for oil capital depletion is not a favor, or "loophole," or special privilege of any sort. The only legitimate question that can arise is the amount of the deduction to be permitted for this depleted capital.

The Government has no more right to deny a depletion deduction to be charged against the gross receipts of the oil producer than it would have to take your farm for use as a military air field without paying for it.

In countless ways the Government recognizes that it should not deprive a man of his capital. If you sell your house, and with the money received you build

or buy another house within one year which costs as much as the price you got, you pay no income tax. You are entitled to your house.

When your grocer sells the goods on his shelf, he can replace them at their current costs and charge the costs against his sales without tax. This further illustrates the justice of permitting a man to replace his capital, tax free, so that he may continue in business.

The depletion of an oil well is sometimes figured on a different basis, but in 1926—33 years ago—Congress said that it could be figured as a percentage of gross income. Here is how it is done. The maximum figure is 27½ per cent, but in no case can the deduction exceed 50 per cent of the producer's taxable net income "from the property," that is, from the *producing* oil well, or oil field.

The 1926 statute did not *give* anyone a right, or privilege, to deduct for depleted capital. It simply *recognized* a constitutional right that already existed. All the 1926 statute did was to provide a yardstick to measure the approximate tax-free value of depleted oil capital. As a constitutional right, depletion belongs to all producers alike and there is no legislative justification for a sliding scale of depletion based on company size or income.

Many people believe, wrongly, that the 27½ per cent figure applies to all income of an oil company from refining, transporting or marketing oil, as well as from producing it. This is not so at all. It applies only to the income from *producing wells*. In the case of an integrated oil company, the permitted deduction for its producing wells is a far smaller percentage of its total income, from all sources, than 27½ per cent.

Many critics of the depletion deduction are good folks, but plain ignorant of the oil business. Believe it or not, and "tell this to Ripley," a former director of the Office of Price Administration (OPA) brought forth this classic remark: "It is an impoverished science," he said, "that permits an industry to continue to drill dry holes. The wells that are going to be dry should not be drilled!" Little did he know of the millions of dollars the oil industry spends on the most delicate scientific instruments to try to make a good guess whether oil lies a mile or five miles beneath the surface, in order to drill as few dry holes as possible.

Another fact, not known to many, is that the depletion deduction is not limited to the producers of oil and gas. On the contrary, it applies, in different amounts, to all producers of exhaustible natural resources. Among these are coal, iron, tin, zinc, uranium, asphalt, asbestos, granite, marble, talc, sand, gravel, clay, timber and even deposits of clam and oyster shells.

Another point: the law treats big and small alike. If his producing costs are in line, Joe Doakes, with one successful wildcat well, gets the same deduction, per dollar, as a big company with 10,000 wells.

The great East Texas oil field was struck 29 years ago. There has been nothing like it since. The chance of finding a 50-million-barrel oil field is one in 1,149, but all the oil in such a field would supply America's needs for just one week. How can we be sure of enough oil for the rest of the year?

To date, the oil industry has invested \$1.25 billion in offshore underwater exploration and drilling, but its gross receipts so far have been only \$250 million,

or \$1 in \$5. It is a billion short.

Let us look again at the unseen ghost towns of dry and abandoned wells. When a man makes his first venture as a wildcatter, he must either have accumulated some capital from other employment or found some trusting souls to "grubstake" him. He drills his first well and either strikes oil or doesn't. If he is lucky, the depletion percentage enables him to keep some, at least, of his oil capital, tax free; and with it and whatever profits he makes, he is able to drill again.

In wildcat country the national average of "luck" is one producing well for every eight dry holes drilled. From this we can see the vital importance of a tax law under which producers can keep some, if not all, of the original capital value of their oil from the successful wells.

In 1957, in both proven and wildcat territory, 53,400 oil and gas wells were drilled. Of these, 20,192 wells, or 38 per cent, were dry—a total loss of about \$800 million. No depletion is allowed for dry holes!

A GAINST THE CHANCE of another war, our security demands that we have on call in the ground (as we now do) known producible excess reserves of two million barrels a day over present requirements. Such excess reserves for emergency use can be maintained only by continued exploration and drilling on our home grounds.

As Admiral Robert B. Carney told the House Armed Services Committee in January, 1958: "Every effort must be made toward developing oil self-sufficiency because Middle East oil is vulnerable from the military standpoint under any circumstance."

The more legislative uncertainties or discouragements that enter into the search for oil, the less oil will be produced. Without an assured and adequate depletion provision in the law, our military security, dependent as it is on oil, might soon become a hollow echo in the corridors of the Pentagon.

It is safe to say that the critics of depletion never mucked in oil field mud, or spent sleepless nights wondering whether their money would hold out until their drill struck oil. As President Theodore Roosevelt once said: "It is the doer of deeds who counts in the battle of life, not he who looks on and says how the fight ought to be fought, without himself sharing in the struggle and the danger."

The Hon. Samuel B. Pettengill, author, lecturer and radio commentator, was a Member of Congress from Indiana, 1931-'39. His most recent contribution to HUMAN EVENTS was "When the Court is Not Supreme," December 8, 1958.

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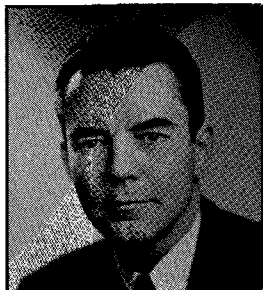
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Article Section I



A Party Of Principle

Youthful Leader Bids GOP Stand Firm

By REPRESENTATIVE JOHN W. BYRNES

Representative John Byrnes (R.-Wis.), a staunch conservative, is one of the GOP's outstanding young leaders. Early this year he was elected Chairman of the Republican Policy Committee, one of the two top leadership posts in the House GOP.

WE REPUBLICANS have been going through a period of critical self-examination. The crushing defeat we suffered in the national and state elections last fall requires a searching look at our party. The main emphasis of our studies and discussion has been on making our party a more effective political mechanism, on the organization we must create to win elections. Certainly there is much that must be done in this area.

As a partisan Republican, and an officeholder, I want our party to win elections, too, and I have been tremendously encouraged by the earnest enthusiasm which has gone into reorganization efforts since November. The major concern of the Republican party, however, cannot be just to win the next election. Our principal job is, and must be, the preservation of our Nation and its institutions.

We must bring to our task more than just an urge to take office. Without principles, a political party is nothing more than a gathering of office seekers and their friends. Without principles, a political party, in the words of our President, is only a conspiracy to gain power.

We must face up to the fact that a party without principles has captured control of the most important branch of our Government—the Congress. The Democrat party today is a party, not of principle, but of expediency. Its method of gaining power is to divide the people into groups to appeal to their special interests, promising special largess from their Government.

Such a party can have no principles, except to assert, in order to make good its promises, that the answer to any problem, real or fancied, is massive Governmental action or massive Federal spending. Without principles to guide it, the Democrat party cannot concern itself with preserving this Nation and its heritage. It is guided only by the day-to-day demands of its own lust for power.

The Republican party, on the other hand, no matter what its other failings, is a party of deep-seated principles and it must remain so. These principles are so deep and instinctive that we have unfortunately too often felt it either unnecessary or too difficult to put them into words. But they must be put into words; they must be enunciated over and over again. Our beliefs and principles must be articulated so clearly and forcefully that there can be no doubt as to where we Republicans stand and why.

Republicans believe that no generation can live solely for itself, but rather that it has the heaviest of obligations to preserve the Nation and its institutions, strengthened and improved, for those who follow. We know that our heritage was won only by

the sacrifice of those who preceded us. We have the high moral duty to sacrifice, if need be, to preserve and protect it.

We know, as we face the problems inherent in preserving our society, that the right way is not always the easy way, but that we have no choice except to take the hard way if it is, in truth, the right one. We recognize that we will find ourselves frequently bucking the popular tide, for we know, just as surely as do the Democrats, that there is little political appeal in self-denial. If we accept the responsibility of leadership, however—and that is one of the functions of a political party—we must serve as stern guardians of the national common-sense. This is the only way to a clear conscience and ultimate victory.

We believe in a government of laws which have as a principal aim the prevention of the seizure of dominant power by any man, or group of men.

We believe that the political and economic strength of a nation depends upon the genius of its people and that genius cannot flourish wrapped round with the chains of an all-powerful state or an all-powerful minority.

We believe that liberty is man's most precious possession and, moreover, that it provides him with his best incentive to produce. This has led to our faith in the soundness of an economic system based upon man's universal urge to better his lot. We believe that success, if it is to be the incentive for all, cannot be mocked and scorned and discouraged in an appeal to the envy of others.

We believe that the challenges to our Nation's survival can best be met, not through ill-considered actions based on fear or emotion, but by a country which itself is guided by basic principles, proceeding confidently because it is physically strong, morally right, and carefully prepared.

IN MY BOOK there are today three great threats facing us as a people and as a Nation: the threat of communism; the threat of inflation; the threat of new monopolies. Each must be met head on. Each must be fought relentlessly if what we call the American way of life is to survive.

It would indeed be wonderful if all we had to do to preserve our Nation against the Russian military threat was to turn on a spending spigot. But it is not that easy, and the political party which tells the American people that it is, is gambling recklessly with the future of our Nation. If we rely solely on scattering our national wealth to the winds in

order to quiet every fear, we can lose this fight before we start.

What it will take to beat the Russians at this gruesome game is a Government and a people—ready, of course, to sacrifice whatever is needed for our overall superiority—determined to proceed only on the basis of sound estimates, rational thinking, and carefully conceived plans which look not just to today but also to tomorrow. This is the hard road, and only a party of principle has the courage to stand up to the fearmongers and tell the American people it is the road we should follow.

It is clear, too, that only a party of principle can furnish the kind of leadership which stands fast against those Democrats who would sacrifice our world position in the face of the potent power of the Soviet Union. When it is all boiled down, the constant carping over the “inflexibility” of Mr. Dulles and the demands for a “new approach” to the Soviet Union are nothing more than a frightened unwillingness to face up to the fact that you can’t appease the Russians without losing your shirt in the process. We are confident the American people won’t soon again be led down the so-called easy road of appeasement.

The second threat to our security as a Nation is the insidious menace of inflation. Our response to inflation is not only significant in its own right, but it cannot be divorced from the challenge of the Soviet Union.

As we oppose programs which individually have vote appeal but which taken together lead swiftly and surely to national bankruptcy, we lay ourselves open to the demagogue’s cry. But what we seek is more important than any single spending program. Unless we can maintain the stability of our currency, we will not have the strength to support any Governmental program, no matter how desirable—be it for defense, for scientific advance, or for human welfare. Bound up in the fight for a balanced Budget is the question of whether our economy will have the strength and stability to maintain us in the battle for survival.

ONE OF THE BASIC principles of the Republican party is a belief in a government of laws, which seeks to prevent the seizure of dominant power by any man or group of men. Because of this principle, the Republican party is called upon to meet the threat of the new monopolies, powerful labor organizations dominated by a handful of men.

Under Republican leadership, this Nation met the challenge of the seizure of dominant power by a few industrialists and financiers a generation ago. It curbed the power of the trusts when, in the public interest, it enacted antimonopoly legislation.

Today similar power rests in the hands of men who dictate the policies of our national labor unions. It consists of vast economic power, the power to cripple an industry or a nation. It is economic power which has reached out so successfully for political power that it has taken over, for all practical purposes, the Democrat party, and now controls the Congress of the United States.

Curbing the power of the new monopolies will be infinitely more difficult than dealing with the old industrial and financial monopolies, for the new monopolists have wrapped themselves in the cloak of the so-called common man. They have been care-

ful to inculcate the doctrine that their monopoly interest is identical with the interest not only of union members, but of all working men and women. No attempt can be made to curb the power of the new monopolies without incurring their charge that it is a move against the public interest.

● But the public—the consuming public—does not benefit from the exercise of naked monopolistic power to raise wages, and hence prices, beyond the level justified by increased productivity—nor from the extortions of a Hoffa made possible by the power his monopoly gives him.

● *The public—the union-worker public—does not benefit when its dues are stolen, or frittered away, or spent for propaganda or political activity against its wishes.*

● The public—the taxpaying public—does not benefit when the political power of the new monopolies is used to extract special benefits from a pliant Congress or state legislature.

● *The public—the small-business public—does not benefit when its choice, confronted with the overwhelming power of a giant union, is to accede to its demands or go out of business.*

● The public—the farm public—does not benefit when the new monopolies drive up farm costs far beyond the ability to increase farm prices.

We cannot eliminate these evils until we curb the powers of the new monopolies, even as we protect the very legitimate rights of working men to organize.

As a party of principle, we cannot dodge this issue. The Democrats must avoid it at the peril of their extinction as a political force. They are incapable of going beyond what the new monopolies will permit, and this consists only of wiping the smudges from the faces of those union leaders who have gotten dirtiest in their greed for power. It’s up to us to take the lead in a sustained effort to curb this threat to the stability of our Nation. It will in the end earn us the gratitude of the vast majority of the American people who, even now, sense the danger involved in letting unbridled monopoly power run loose in our land.

In these great tasks, then—in meeting the Communist threat, in fighting inflation, in curbing the new monopolies—we Republicans have a job to do. At stake are the future of our Nation and the security and happiness of our people.

(The foregoing is an abridgement of a speech recently delivered in New York by Representative Byrnes and subsequently reprinted in the *Congressional Record*.)

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National Urban League, the National Farmers Union and the National Association of Housing and Redevelopment Officials.

Labor Bill: Senators trying to ram through the Kennedy-Ervin labor "reform" bill have run into some telling opposition from Senator Barry Goldwater (R.-Ariz.), head of the Republicans on the Senate Labor Committee. A majority of that committee has just "reported out" the bill, overriding numerous attempts by Republicans to amend it into effectiveness.

Goldwater has emphasized that the bill is packed with "gimmicks" through which it superficially takes on a reform aspect while reforming nothing. Last week, the Senator gave one example (see HUMAN EVENTS for April 8, 1959). This week, he described a series of such "gimmicks."

(1) The Kennedy-Ervin bill declares that it is intended to encourage the faithful observance of fiduciary responsibilities by union officials through requiring certain financial reports. By the use of the word "fiduciary" in what is in effect the bill's preamble, the authors create an erroneous impression that something concrete is being done about the fiduciary obligations of union officials. In reality the Democrats rejected a GOP amendment which would have imposed fiduciary status on union officials and would have given the union members a right to sue in the Federal courts for breach thereof.

(2) Then there is the question of defining a union "officer." The sanctions of the bill are directed mainly at "officers" who fail to comply with its requirements—reporting of financial matters, elections, trusteeships, etc. The US Supreme Court has held that a union's officers are only those officials who are so designated by the union's constitution.

Thus, a union can rewrite its constitution so as to have only a single officer—for example, its president. That means that those officials performing the duties of vice president, secretary or treasurer would not be "officers" and hence completely free from the bill's sanctions. The Democrats on the committee showed their true colors when they rejected a GOP amendment defining "union officers" to include all governing or policy-making officials.

(3) Unions must report all loans to union members and officials aggregating more than \$250. This cleverly worded provision of the bill enables the union leadership to make loans of \$250 or less to favored members or officials, to deny them to those union people who for one reason or another oppose the leadership, and to act in discriminatory fashion without letting the membership know about it. A more effective device for permitting an incumbent union leadership to use union funds for perpetuating itself in office is difficult to imagine. Nevertheless, the Democrats rejected a Republican amendment to require reporting of all such loans regardless of amount (which is just what the bill requires with respect to loans made by a union to any business enterprise).

Morton: "Liberal" columnist William V. Shannon of the *New York Post* last week had this illuminating comment on Senator Thruston Morton's then-pending ap-

pointment as Republican National chairman: "in effect, a decision to put the job in cold storage until the 1960 convention."

Shannon explained, backing up from the left flank the point made by conservative Representative Richard Simpson (R.-Pa.): "No Senator can do his own work and give full attention to the party chairmanship. Senators who are reasonably conscientious in their committee assignments and in attending to the routine needs of their constituents find they have to work ten to 12 hours every day. The Republican National Committee is in its own right a substantial operation: Even in 1959, which is not a campaign year, it has a large suite of offices, 84 full-time employees, and a \$1 million budget.

"Since Senator Morton presumably is not going to scant his work for his Kentucky constituents, these facts strongly suggest that he is only going to be a part-time front man for the GOP National Committee, while its regular paid staff conducts a holding operation for the next 15 months." In other words, the fate of the GOP will be directed by hired party bureaucrats, rather than by a central figure representing the sentiments of the party's national constituency.

State Department: The resignation of Assistant Secretary Walter S. Robertson from the Department of State strengthens the hand of the appeasement forces in that agency—now industriously trying to undermine the firmness of American policy towards communism.

Robertson, a specialist in Far Eastern Affairs, for years has fought to hold pro-Red elements in the Department at bay, and is in large part responsible for the present US policy of non-recognition toward Red China. Congress is wary, now that he is leaving, of possible moves to push through recognition for Peiping.

A number of commentators note the irony of Robertson's departure, just as the Red butchery in Tibet has once more vindicated his strong stand against the Communist regime. Non-recognition has been vindicated, too, by other events of the last ten years—notably the stand taken by most other nations in the civilized world.

As Robertson himself pointed out in a speech a few weeks ago: "Instead of being isolated, we stand with the overwhelming majority of the countries of the free world in this position [non-recognition]. It is essential that this majority continue to stand together."

A HUMAN EVENTS check reveals that of the 82 nations of the world, only 29 have extended recognition to Red China—and eight of these are themselves puppet regimes manipulated by the Kremlin. Thus the margin, outside Soviet-controlled countries, is better than two-to-one against recognition of Peiping (actual score: 44 to 21). Equally significant, since January, 1953, when the Dulles regime took over at the top level in the State Department, only seven nations have established diplomatic relations with the Red Government.

● A rise in pro-appeasement sentiment following Robertson's retirement is feared because of US performance in areas other than China—principally in its aid policies towards pro-Communist countries like Indonesia, India and Yugoslavia (see HUMAN EVENTS for

February 18 and March 25, 1959). Some HUMAN EVENTS readers have expressed dismay and puzzlement that the State Department and ICA persist in such boners. These actions, it is observed, seem more consistent with the "sellout" policies of Acheson and Truman than with the generally firm line recommended by Secretary Dulles.

The reason for continuing appeasement in the State Department is not far to seek: the agency is still stuffed to the rafters with far-out Democrats. As "liberal" columnist Peter Edson noted recently: "Of the 18 top policy-making jobs in the Department organization chart, the Republicans can claim only enough to count on one hand. . . . Below the top rank you have to get down to the fourth level of hierarchy before you find other Republicans."

The remainder of the top officials, Edson points out, are "career" people; and while some of these (like Robertson) are firmly anti-Communist in their sympathies, it is a well-known fact in Washington that many of the State Department "careerists"—as witness the IPR-China Debacle—lean toward Achesonism in their views on foreign policy.

Castro: As Cuban boss Fidel Castro prepares to enter Washington in triumph—to address the American Society of Newspaper Editors and to lunch with Under Secretary of State Christian Herter—the evidence of his barbarism and his pro-Moscow leanings begins to reach impressive proportions.

Visiting the Capital last week was Rafael del Pino, onetime friend of Castro's and a former member of his revolutionary movement. Del Pino, now head of the Anti-Communist Movement of the Americas, contrasted Castro's words and actions. As quoted in the Scripps-Howard Washington *Daily News*, he found the following:

Although Castro denies pro-Red sympathies, his first act after coming to power was to unleash Cuba's Communist party. Although he said he would not execute any of his fellow countrymen, the butchery has reached appalling levels. Although he came as a "liberator," he has crushed elementary rights of speech, press, travel, private property.

● A poignant contrast between the present preference of Cuba in international matters, and its inclinations under the Batista regime, was carried last week by "liberal" columnist Drew Pearson. Interviewing Batista, Pearson quoted these words from the former ruler:

"I broke relations with Russia when you wanted me to. I exiled the Communist party. Now look what's happening to the Communists under Fidel Castro. They are flocking back into power. Soon they will be running Cuba. Do you think they will help you in case war breaks again? You will have a country friendly to Russia right under the nose of the United States."

Book Event: *The Evolution of a Conservative*, by William Henry Chamberlin; Henry Regnery Co., Chicago, Ill.; \$4.50. Reviewed by FRANK C. HANIGHEN.

The appearance this week of a new book by William Henry Chamberlin constitutes "news." The volume tells the exciting career of a journalist who—for the past 25 years, at least—has been right about the turn of

events more consistently than almost any other in the profession.

One of my first recollections of Chamberlin goes back to the spring of 1939 when we were both correspondents in Paris. A group of British and American newspapermen in a Left Bank cafe sat around this famous foreign correspondent, who had spent ten years in Moscow, to hear his views on Kremlin policy. The Anglo-Polish Pact had just been signed "to stop Hitler" and the proposed Anglo-Russian alliance was the major topic of discussion.

Chamberlin warned the group that the Anglo-Polish Pact was a dubious venture and that Stalin was more likely to feather his own nest than to "stop Hitler" by making an alliance with Britain. These cautionary words were all too bitterly confirmed within a few months, when Moscow and Berlin signed a treaty of friendship.

Chamberlin was for letting Nazi Germany and Soviet Russia battle it out, with the free world staying on the sidelines. "Let the Huns and Vandals destroy each other so that Western civilization may survive."

Chamberlin returned to the US in 1941 and in 1944 contributed the first article published in HUMAN EVENTS. Appearing on February 4 of that year, it dealt with the imperialistic designs and tactics of Stalin. This courageous piece was composed at a time when most of the press treated the Russian dictator as a benign and accommodating ally.

Chamberlin presents a vivid picture, in *The Evolution of a Conservative*, of the experiences and observations which prompted him to take his coldly realistic attitude towards the "Socialist Paradise" in Eastern Europe. A clear view of how the Communist system worked led him, when he returned to live in America, to a quick understanding of the real character of US "liberals," most of whom were apologists for the Kremlin. The latter, he perceived, were wrong not only on foreign affairs but also on domestic policy. Some of the best portions of the book are keen dissections of the New and Fair Deals. In conclusion, Chamberlin presents a luminous statement of an American conservative's creed.

Conservatives will enjoy this excellent book.

All books mentioned in HUMAN EVENTS can be obtained, at the bookstore price, from The Bookmailer, Box 101, Murray Hill Station, New York 16, N. Y.

RICHARD LLOYD JONES, Editor and Publisher, The Tulsa Tribune: "While many of our metropolitan newspapers and news commentators have been infected by the propaganda poisons of our foes, and have broadcast their cynical contempt for our Republic, it is encouraging to have such a champion of our fundamental integrities and nobilities as HUMAN EVENTS."

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The Declaration of Independence opens: "When in the course of HUMAN EVENTS . . ."

HUMAN EVENTS, 408 First St., SE, Washington 3, D. C., is a weekly Washington newsletter. Founded in 1944 by Frank C. Hanighen. Published usually in two sections: a 4-page news section and a 4-page article section. Second-class postage paid at Washington, D. C. Copyright 1959.

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